

§ 1412.602 Fruit, vegetable and wild rice acreage reporting violations.

(a)(1) If an acreage report of fruits, vegetables or wild rice planted on base acreage of a farm enrolled in DCP is inaccurate but within tolerance as provided in paragraph (b) of this section and CCC determines the producer made a good faith effort to comply with the provisions of this section, the producers shall accept a reduction in the direct and counter-cyclical payments for each such acre.

(2) If an acreage report of fruits, vegetables or wild rice planted on base acreage of a farm enrolled in DCP is inaccurate and exceeds the tolerance as provided in paragraph (b) of this section, but CCC determines the producer made a good faith effort to comply with the provisions of this section, the producers shall accept a reduction in the direct and counter-cyclical payments for the farm in an amount equal to the sum of:

- (i) The direct and counter-cyclical payments for each such acre, plus
- (ii) Twice the average dollar value of the direct payment for the covered commodity and peanut base acreage reduced because of the fruit, vegetable, and wild rice plantings on such acreage, multiplied by the total number of acres in violation.

(3) The contract shall be terminated if an acreage report of fruits, vegetables or wild rice planted on base acreage of a farm enrolled in DCP is inaccurate, and the county committee determines the producer did not make a good faith effort to comply with the provisions of this section. Upon such termination, producers subject to such contract shall:

- (i) Forfeit all rights to receive direct and counter-cyclical payments for the farm;
 - (ii) Refund all direct and counter-cyclical payments received for the farm, plus interest as determined in accordance with part 1403 of this chapter; and
 - (iii) Be ineligible for all program benefits according to part 718 of this title.
- (b) For the purposes of this section, tolerance is the amount by which the determined acreage may differ from the reported acreage and still be considered in compliance with program requirements. Tolerance for fruits, vege-

tables and wild rice plantings is 5 percent of the reported fruit, vegetable and wild rice acreage, not to exceed 50 acres.

§ 1412.603 Contract liability.

All signatories to a contract are jointly and severally liable for contract violations and resulting repayments and penalties.

§ 1412.604 Misrepresentation and scheme or device.

(a) A producer who is determined to have erroneously represented any fact affecting a program determination made in accordance with this part shall not be entitled to either direct or counter-cyclical payments and must refund all such payments received, plus interest as determined in accordance with part 1403 of this chapter.

(b) A producer shall refund to CCC all direct and counter-cyclical payments, plus interest as determined in accordance with part 1403 of this chapter, received by such producer with respect to all contracts if the producer is determined to have knowingly done any of the following. In addition, the producer's interest in all such contracts shall be terminated.

- (1) Adopted any scheme or device that tends to defeat the purpose of the program;
- (2) Made any fraudulent representation; or
- (3) Misrepresented any fact affecting a program determination.

§ 1412.605 Offsets and assignments.

(a) Except as provided in paragraph (b) of this section, any payment or portion thereof to any person shall be made without regard to questions of title under State law and without regard to any claim or lien against the crop, or proceeds thereof, in favor of the owner or any other creditor except agencies of the U.S. Government. The regulations governing offsets and withholdings found at part 1403 of this chapter shall be applicable to contract payments.

(b) Any producer entitled to any payment may assign any payments in accordance with regulations governing the assignment of payments found at part 1404 of this chapter.